

Fair Housing Summit  
River Center Exhibition Hall  
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Noon

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**Introduction:**

Good afternoon, my name is Milton Bailey and I am the President of the Louisiana Housing Finance Agency.

I greatly appreciate being given this opportunity to address this audience—especially given recent ordinances and proposed laws being considered that would restrict, slow and otherwise limit the development of affordable housing throughout the state.

Before I start sharing my views about such legislative measures, please allow me to set the stage with several important statistics:

**State Statistics:**

1. 123,000 homes in Louisiana were destroyed or suffered major damage in the wake of Hurricanes Katrina and Rita.
2. 82,000 rental properties were destroyed or suffered major damage.
3. Of the 205,000 rental and owner occupied units that were destroyed or suffered major damage, a substantial portion were occupied by low income households.

**Select Parish Statistics:**

With regard to those Parishes in which we are seeing restrictions being placed on the tax credit development of affordable housing:

4. According to GCR data 105,155 units of housing were destroyed or severely damaged in Orleans Parish. Of this number, 53,474 owner-occupied units were destroyed or severely damaged, or 61% of all owner-occupied units. In addition, 51,681 rental units were destroyed or severely damaged, or 51% of all renter-occupied units. Moreover, of the available rental units in Orleans Parish, 57% were affordable to low- to moderate-income households.
5. In Jefferson Parish, 20,339 owner-occupied units were destroyed or severely damaged, or 18% of all owner-occupied units. In addition, 13,972 rental units were destroyed or severely damaged, or 22% of all renter-occupied units. Moreover, of the available rental units in Jefferson Parish, 58% were affordable to low- to moderate-income households; and,
6. In St. Tammany Parish, 13,689 owner-occupied units were destroyed or severely damaged, or 25% of all owner-occupied units. In addition, 3,931 rental units were destroyed or severely damaged, or 29% of all renter-occupied units. Moreover, of the available rental units in St. Tammany Parish, 64% were affordable to low- to moderate-income households.

## **Priority One: Bring People Home**

Given these statistics, my first task at the LHFA was to design a balanced approach between bringing people home—and relieving the growing problem of overcrowding.

The first step was to focus on bringing people home in the eight hardest hit areas of the state:

Orleans, Jefferson, St. Tammany, Calcasieu, Cameron, Plaquemines, St. Bernard, and Vermillion

Indeed, when we set about establishing our priorities, we were convinced our efforts were supported by the local leadership—especially given campaign slogans like: “Everyone has a right to come home”, and “Bring our people back”.

An important part of accomplishing our mission included holding a series of public hearings in Baton Rouge and New Orleans. We held these open forums and accepted public comments in February, August and September of 2006. We also advertised them in local newspapers and invited stakeholders to attend the public hearings.

The purpose for conducting these public hearings was to obtain input from community members, community groups, Council members, advocacy groups, developers and other interested and affected parties.

We wanted their input to help us shape the basis for our QAP; bring as many people home as we could; and accomplish our mission in a manner that would not reconstitute centers of poverty or despair.

On December 13, 2006 the Board, after considering stakeholder input, approved the reservation of tax credits according to the QAP, which provided for the Forward Allocation of 2007 and 2008 GoZone Tax Credits, and for the layering of CDBG Funds into those transactions.

## **Priority Two: Relieve Overcrowding**

Step two, which we began focusing on in December 2006, was to relieve overcrowding in those cities and towns throughout the state that experienced the greatest increase in population as a result of GoZone out-migration.

As many of you are aware, on April 11, 2007, we started accepting public comments and holding open public hearings on the Forward Allocation of our 2007 and 2008 PerCapita Tax Credits.

## **Bringing People Home Results:**

The results of our first priority efforts of “Bringing People Home” are as follows:

- We issued \$15.6 million in PerCapita tax credits;
- \$168 million GoZone tax credits;
- \$417 million of CBBG funds;
- \$326 million SF mortgage revenue bonds;
- \$161 million of MF mortgage revenue bonds;
- \$7.3 million of 4% tax credits; and
- \$31 million of HOME funds.

All of which will result in the production of 21,000 units of affordable housing and a \$3.2 billion investment in the state.

And yet, the 17,000 tax credit units imbedded in the 21,000 units financed, only represents 10% of the state's rental housing replacement need—and less than 8% of the state's replacement need—if you add ownership housing destroyed or severely damaged to the equation.

While no results are in yet on relieving overcrowding, we clearly need to go back to Capitol Hill and ask for more money and tools to complete our efforts.

### **Priority Three: Develop 10-year Strategic Plan**

The third step, which I will not go into here, but you can review yourselves, was developing a 10-year Strategic Plan. It's posted on our website, and I encourage all of you to read it and comment on it before the Board approves it next month.

### **Back to the Point:**

I wanted to give you a sense of what it is we do and how we go about doing it, before I started talking about local ordinances recently approved in Orleans, Jefferson and St. Tammany Parishes that would—in direct contravention of all of the campaign slogans—restrict, slow and otherwise limit the return of displaced residents.

### **Examples:**

1. There is an estimated loss of 29,250 affordable rental units in Orleans Parish. PolicyLink confirms that the LHFA is replacing 31.3% of the affordable rental units destroyed or severely damaged, or 9,157 affordable rental units. Approximately 20,093 will remain blighted and uninhabitable.
2. There is an estimated loss of 8,092 affordable rental units in Jefferson Parish. The LHFA is replacing 1,227 of those units. Approximately 6,865 will remain blighted and uninhabitable; and,

3. There is an estimated loss of 2,506 affordable rental units in St. Tammany Parish. The LHFA is replacing 802 of those units. Approximately 1,704 will remain blighted and uninhabitable.

### **Issue:**

Yet, these Parishes have proposed or passed ordinances to restrict the number of affordable housing units permitted in their jurisdictions, and to require the LHFA to obtain Parish approval before issuing tax credits. Jefferson Parish representatives have also pushed forward HB 223.

Given that the LHFA is not replacing housing anywhere near the current need, let alone the pre-existing need, it is reasonable to infer that recent local ordinances were **NOT** passed because of:

- unit replacement density,
- the re-establishment of centers of poverty,
- creating areas of high crime; or,
- given our QAP public comment period—denying local jurisdictions a voice in the redevelopment of their communities.

Instead, such ordinances, and Bill 223, are more geared toward abrogating the working individual's right to fair and equitable housing on the basis of income discrimination.

Instead of giving the bills and ordinance numbers, it would be easier to call them what they are: "Not in My Back Yard" signs.

On its face HB 223 appears to provide local control over the development of communities by giving community members a voice in urban planning.

But, a closer look at this legislation shows that notwithstanding its stated purpose, the practical effect of the Bill would be to promote gentrification.

### **Who Gets Hurt:**

Now, let's put a face on the people who get hurt by ordinances and legislation like HB 223:

1. By a show of hands, how many here consider themselves to be decent, honest, law abiding citizens just trying to make ends meet?
2. By a show of hands, how many here earn less than \$50,000 per year?

3. By a show of hands, how many here can afford to purchase their house for what it would sell for?
4. By a show of hands, how many here can afford the so called “fair-market” rents that are being charged in New Orleans and Baton Rouge?

Now, take a look around, you are among the tens of thousands of people from across this state Bill 223 would **1.** Prevent from coming home; **2.** Keep overcrowded; and **3.** Exclude from the American Dream.

### **What the Ordinances and Bill 223 Says:**

Ordinances and Bills like 223 say its okay for our child care provider to look after our kids, but it’s not okay for him or her to live conveniently down the street.

That it is okay for our administrative assistant, bookkeeper, copy guy, and IT person to make our appointments, balance our books, copy our reports and fix our email, but its not okay for them to say hello on the way to work in the morning.

That it’s okay for our housekeeper or hotel staff to do our dirty laundry, clean our dirty dishes and vacuum our dirty rooms, but it’s not okay for him or her to rent a small apartment four blocks away.

That it is okay for our elderly mother or father; who changed our diapers, wiped our snotty nose and juggled their schedules to run us to football, soccer or ballet practice to live in a supportive housing complex or independent living facility—so long as that nursing home is located no where near us.

That it’s okay for our firemen, EMS professionals, police officers, teachers, health care workers, cooks and musicians, to save our property, save our lives, secure our communities, teach our children, take care of us, prepare our food and entertain us— but not in our backyard.

If our Legislators are concerned about our safety and the criminal element coming into our communities and homes at night—then, by all means, pass tough laws that bring crime under control and provide our police officers, prosecutors and criminal justice system with the tools they need to do their jobs.

Yes, help us plan the development of our communities—smartly. Help build within struggling communities the same framework that exists in thriving communities.

Lend your voice and expertise toward resolving the social, educational and economic issues that lead to bills like 223. Become involved in binding that social fabric into a rich integrated tapestry that stretches from one end of our state to the other. Be an advocate for inclusively and fair and equitable housing for **all** people.

But **do not** allow the passage of legislation that precludes persons of modest means from sharing in the American Dream.

**Anecdote:**

By a show of hands, how many here saw Senator Barack Obama's speech during the 42<sup>nd</sup> anniversary of the March on Selma?

Basically, Senator Obama recognized our civil rights leaders as being the Moses Generation that led us out oppression. He recognized the Joshua Generations as those who would follow in their footsteps and build on their efforts.

So far, and judging by what's going on in St. Bernard, Jefferson, St. Tammany and Orleans Parish, the Joshua Generation is rebuilding the barriers of exclusion the Moses Generation struggled so hard to tear down.

So, to the Joshua Generation gathered in this room—I humbly request that you look at the new face of affordable housing and decide not to let those barriers stand.

**Conclusion:**

As I said earlier, the LHFA is not rebuilding anywhere near the rate sufficient to meet our post-Katrina/Rita housing needs—nor our pre-existing needs.

Therefore, Jefferson, Saint Tammany, East New Orleans, and others, should not be concerned with density or blight being caused by the development of 17,000 tax-credit developments. What they should be concerned with is the blight being created by the 28,682 units left undeveloped.

Simply put, restrictive housing ordinances and Bill 223 should be kicked to the curb—and not the honest, every day hard working just-trying-to-make-ends-meet people who are the very backbone of Louisiana's economy.